• **Charge** - Meet the reduction target of a regional agreement (to be determined)

Core Approach

- Focus on Existing Sources The equitable treatment of new sources to be addressed in regional discussions
- Develop EGU and Industrial specific options to meet discrete reduction needs.
- Trading Program/Facility Averaging some form of system-wide EGU averaging, industrial facility averaging, and cross-system trading in a A.Q. neutral fashion.

- Source Flexibility Consider a broader range of emission source sectors as addressed in the OTAG process.
 - Ensure that large emitting sources or source categories which potentially affect ozone episodic events are controlled to a de minimus level for A.Q. improvement.
 - Assess various control levels through the source categories versus the SIP Call to ensure an efficient and focused program structure

• Geographic Flexibility - Develop program options in meeting target reductions which optimize ozone A.Q. impact of controls.

Timing of Controls

- Phase I: guaranteed high level of reduction for 2003
 ozone season.
- Any following phase needs to ascertain attainment of standard by 2007 ozone season.

- Mass Budget Vs. Emission Rate Approach If the regional agreement determines a mass budget the individual state programs can still be crafted on either a mass budget or emission rate basis.
 - An emission rate approach may not require a restriction on existing capacity utilization.
 - An emission rate approach provides flexibility addresses control restrictions by source type.
 - An emission rate approach applied under a regional budget would potentially require controls on a larger population of sources to accommodate anticipated growth.

February 3, 2000

- Questions to answer
 - Real available emission reductions from potential options (review control assumptions)
 - Compare cost of control options

Multi-State Daily NOx Reductions (1995 tons/day)

State	EGU @ 0.25	Industrial @ SIP Call
Indiana	670	160 (60%)
Illinois	760	88 (66%)
Wisconsin	333	20 (53%)